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C O N F I D E N T I A L SECTION 01 OF 03 MEXICO 002070

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SUBJECT: MEXICO'S PRD LOOKING FOR UNITY, DIRECTION IN WAKE
OF MIDTERM ELECTION DEBACLE

REF: MEXICO 1947

Classified By: Charge John D. Feeley. Reasons: 1.4 (b and d).

11. (C) Summary: The Democratic Revolutionary Party (PRD) is trying to recover from serious losses in the July 5 midterm elections. Winning only 12 percent of the national vote, the party lost a high percentage of Federal Deputies and some traditional strongholds, including Guerrero and parts of the State of Mexico, which is the most populated state in the country. The party also took a hit in Mexico City though it continues to hold most of the boroughs and a majority within the legislative assembly. Clearly, PRD's internal divisions, epitomized by competing campaigns headed by PRD President Jesus Ortega and former party standard bearer Andres Manuel Lopez Obrador (AMLO), produced damning consequences on the party's electoral fortunes. Unlike National Action Party (PAN) President German Martinez, however, Ortega has said that he has no intention to resign. Meanwhile, PRD party leadership has decided not to expel AMLO, notwithstanding his attacks on them and his campaign efforts in favor of other parties. With important gubernatorial races in the offing for 2010 and the presidential election in 2012, the party recognizes party unity is a prerequisite for future success. While this appears easier said than done, it would be mistake to write off Mexico's left for the 2012 elections; AMLO, in particular, remains uniquely qualified to tap into potential discord over Mexico's economic downturn. End Summary.

Midterm Election Losses, Gains for the PRD

12. (U) The Democratic Revolutionary Party (PRD) suffered extensive losses in the midterm elections of July 5. Scoring only 12 percent of the national vote, PRD secured 72 seats in the Chamber of Deputies, down from the 127 it had in the prior Congress. In addition, the party experienced losses in the State of Guerrero, one of its traditional strongholds; none of its candidates fared well in any of the six gubernatorial contests. It also lost to the Institutional Revolutionary Party (PRI) large areas in the State of Mexico, including Nezahualcoyotl (the fourth largest city in Mexico which it had governed since 1996), and Ecatepec, another traditional PRD bastion of power.

13. (U) On a positive note for the party, it did well in the states of Zacatecas, Baja California Sur, Michoacan and the Federal District, winning 31 of 41 Federal Deputies up for grabs. The recent arrests in Michoacan of a number of high ranking officials on narcotics charges, the majority of whom were from the PRD (reftel), did not translate into losses for

the party in that state. In the Federal District, the PRD continues to hold Mexico City as a result of its winning 12 of 16 boroughs -- down from 14 -- and maintained its majority in the city's legislative assembly.

Why Did the PRD Do So Badly?

14. (C) Observers universally blame PRD's internal division for taking the party from less than a percentage point from winning the presidency three years ago to a political player with over 40 percent fewer seats in the Chamber of Deputies. This high profile dispute manifested itself with PRD President Jesus Ortega, a moderate who ostensibly ignored the radical United Left Faction (ULF) of the party while former party standard bearer AMLO actively campaigned for candidates from the leftist Workers Party (PT) and the Convergence Party. Each side is pointing fingers at the other in assigning responsibility. Tacking a different tack, PRD International Relations Director Saul Escobar told Poloff that the PRD campaign was too "light," because it did not take a highly critical stance on the deteriorating economic and security conditions in the country and because it did not offer the electorate a concrete alternative. Of course, PRD operatives also believe a low turnout by their supporters, together with a significant null vote (voters who spoiled their ballots as a protest measure) hurt PRD's numbers.

15. (SBU) PRD returns in Iztapalapa, one of Mexico City's most important boroughs, poignantly illustrated the party's division and the confusion it sowed. When the District's

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Federal Election Institute overturned the primary results for mayoral contest, it displaced Clara Brugada as PRD's candidate in favor of runner-up Silvia Oliva; instead AMLO flamboyantly endorsed Rafael "Juanito" Acosta of the PT, pledging to replace him with Brugada should he win. Adding to the confusion, the Electoral Institute announced that there was not enough time to reprint the ballots with the name of Oliva as the new PRD candidate. As a result, in the surrealism of Mexican politics, a vote for Brugada meant a vote for Oliva, but a vote for "Juanito" really meant a vote for Brugada. "Juanito" won and apparently plans to step down at the behest of AMLO. In the end, however, it will be problematic for AMLO to get Brugada to govern Iztapalapa, according to outgoing PRD Federal Deputy Juan Guerra. AMLO can give orders to Mexico City Mayor Ebrard to nominate Brugada to replace "Juanito", but AMLO does not have the two-thirds necessary in the legislative assembly (which also consists of the PRI, PAN and other parties) to close the deal.

PRD President Jesus Ortega: Should I Stay or Should I Go?

16. (C) Notwithstanding widespread pressure from within party ranks, Ortega has announced that he will not step down. Mexico City's PRD mayor and presidential hopeful Marcelo Ebrard faulted divisions within the party for its losses and called for changes but stopped short of calling for Ortega's removal. However, Dolores Padierna of the National Democratic Left (IDN) -- a third faction inside PRD -- maintained that Ortega needed to be replaced because his continued tenure as president would only serve to prolong the party's internal crisis. Her call though found little echo amongst Ortega supporters like New Left Faction (NLF) leader Jesus Zambrano who insisted that Ortega's removal was non-negotiable. In a call to stop the acrimonious exchange of accusations, PRD Senate leader Carlos Navarrete said both sides needed to assume responsibility for the party's defeat. Consensus is growing that it would be better if the party were run by someone not closely aligned with either faction, but Ortega presently appears ill-disposed to give up a position for which he fought for over six months.

Should AMLO Be Kicked Out?

¶7. (SBU) Clearly alluding to AMLO, Ortega said on election night that those who support other candidates should leave the party. In recent days, however, he has stepped back from these veiled threats suggesting it would be unwise to dismiss AMLO from the party. Coming out a leadership meeting July 12 in Morelia, Michoacan among current and former leaders, governors, and deputies-elect, the PRD announced that it would not expel AMLO but rather reestablish ties to his social movement.

¶8. (C) The numbers speak for themselves. According to one published analysis, AMLO is worth half of the 12 percent of the votes that the PRD won. He is also credited with securing the six percent of the vote won by PT and Convergencia, ensuring these two parties exceeded the two percent of the vote minimum they needed to retain their registration and secure representation in the House of Deputies. (Note: The PT won 3.6 percent of the vote, and did even better in Mexico City, while Convergencia barely scrapped by with 2.4 percent nationally. End Note.) Meanwhile, AMLO, having secured the election of a new set of militant supporters in the Chamber of the Deputies, is growing his movement. Few doubt he intends to run for President in 2012. He remains one of the few potential candidates with the charisma and populist rhetoric capable of tapping into widespread discontent over Mexico's economic downturn.

Looking For a Way Forward

¶9. (C) Different approaches abound regarding how the PRD should move forward in rebuilding its constituency and vie effectively for the 2010 and 2011 gubernatorial races in Zacatecas, Baja California Sur, and Guerrero along with the general elections in 2012. Former interim PRD President

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Guadalupe Acosta Naranjo said last week that it would be preferable to build two new parties on the left with the agreement that they participate with common candidates whenever possible. Escobar told Poloff, however, that such a split would be disastrous for the party. He said that internal divisions were based on a false dichotomy of whether to work within existing institutions or abandon them altogether in pursuit of change. He also said that the PRD needs to focus on fundamental principles such as political reform. According to Alejandro Encinas, who ran against Ortega in the PRD's disputed internal elections, the first step to reform the party is to appoint a leader of the PRD in the new Chamber of Deputies who can strengthen internal stability. Leaders of the party pledged in Morelia to present to the country an alternative within the context of the economic crisis and reform internal rules for the selection of candidates and leaders.

¶10. (C) PRD is rightly concerned that PRI will steal its agenda in the Chamber of Deputies, as most observers expect the PRI to focus on social and economic development to help the poor. PRI governors pose a similar threat if they start governing from the left. Moreover, the PRI will be looking for disaffected PRD members to help constitute a majority in the Chamber, which may also hurt the PRD legislative agenda. Of course, the PRI may also face a challenge in maintaining a reliable alliance with the Green Party on all legislative items. It's also worth noting that small parties traditionally lack legislative discipline. Suggesting its loyalty is hardly sworn to the PRI, Green Party spokesman and outgoing Federal Deputy Jesus Sesma said the Green Party is open to dialogue and agreements with all political forces, including the PAN, in order to confront the economic crisis and security problems. He said that the party will be in discussions with the PRI, PAN, PRD, PT and Convergencia.

(Note: PVEM, with 6.5 percent of the vote nationally has secured 22 members in the Chamber, up from 17 it had in the last Congress. End Note.)

¶11. (C) Comment: Following a contentious internal election last year and now a significant defeat in the midterm elections, the PRD needs to resolve its internal divisions if it expects to recover its stature as a viable player on the Mexican political scene. The question, though, becomes determining under whose leadership the party will unite. Ortega apparently feels he fought too long and hard to give up his leadership position, though more than a few of the party's luminaries quietly question his leadership credentials. AMLO has no intention of going away and has offered little indication that he plans to recognize anyone but a loyal supporter as the party's nominal leader. It would be a mistake, however, to consider the PRD a dying party or AMLO as a dead presidential candidate. Notwithstanding its losses, PRD remains the most viable leftist party in Mexico. Meanwhile, AMLO enjoys the kind of name recognition and charisma that will make him someone to be reckoned with. A deep economic crisis that breeds widespread discontent with the more mundane policy prescriptions of PAN and PRI could well create an opportunity over the next three years for a strong return by the PRD, provided it starts spending more time articulating a coherent program and less time sowing internal grievances. End Comment.

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